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PORUGAL

Portuguese officers supporting the Antunes faction apparently now plan to boycott the crucial meeting of the Armed Forces General Assembly—scheduled for tomorrow—unless former prime minister Goncalves' appointment as armed forces chief of staff is rescinded and the composition of the pro-Goncalves assembly itself is changed.

This strategy reportedly evolved from a meeting of the army assembly on Tuesday. The results of the meeting were not made public but were conveyed directly to President Costa Gomes. The US army attache in Lisbon has learned that the vote went heavily against Goncalves in spite of his personal appearance at the assembly. The army assembly voted not to send delegates to tomorrow's general assembly session.

A meeting of the air force assembly yesterday was expected to follow the army's lead. We do not yet have the results of this meeting, but if the air force does in fact follow the army's lead in calling for changes in the membership of the general assembly, the inter-service meeting will probably be postponed.

In the past few days, the Communist-influenced media have attempted to sow discord and confusion in the air force by casting doubt on the support enjoyed by its chief of staff, General Morais da Silva. Earlier this week, he said Goncalves would serve the interests of the Communists in his new position as head of the military. Last night, the President's office denied reports that Morais da Silva would be replaced.

Meanwhile, according to Socialist Party sources, Mario Soares has made public his party's conditions for joining a new government. In addition to the removal of Goncalves, Soares' tough demands reportedly included:

- Municipal, labor union, and national assembly elections.
- Support for the popularly elected constituent assembly.
- Implementation of an economic plan drawn up recently by the Socialist Party.

The Popular Democratic Party reportedly is making the same demands for political freedoms that were rejected in July, resulting in the party's withdrawal from the fourth provisional government.

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The joint strategy being pursued by the Antunes faction and the democratic parties seems to leave the next move to Costa Gomes. At the same time, the threat of military action by one or another of the factions in the armed forces appears to be growing daily.

There are some indications that Portuguese rightists may try to take advantage of the present situation. According to press reports, former president Antonio de Spinola left Brazil on Tuesday for Paris. This visit reportedly is part of a plan to stage a political comeback.

Spinola supporters could upset the present political situation if they launched a strike against the Communists—as some reports have suggested they might. Such a move would be effectively exploited by Communists propagandists, who would link it with the Antunes group, perhaps scuttling efforts to purge Goncalves and his supporters.

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LEBANON

A general strike called by Palestinians and Lebanese leftists to protest the latest Egyptian-Israeli agreement halted commercial activity in the southern port cities of Sidon and Tyre yesterday. The strike was only partly effective in Beirut, although roadblocks appeared in several areas of the city and the road to the airport was closed. Demonstrations are expected to continue today.

Small arms fire was heard early yesterday morning in the Beirut suburbs where heavy fighting occurred in late June, and two rockets were fired at the headquarters of the right-wing Christian Phalanges Party. Government security forces moved quickly to contain the violence, and to provide protection to the Egyptian embassy, where Palestinians demonstrated last weekend.

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There is a danger that the demonstrations against the new Sinai pact might combine with the continued clashes between Christians and Muslims to produce a real explosion in Beirut. Palestinian radicals organized a few demonstrations late last week in support of Muslims and fedayeen in the Zahlah area, where violence has already lasted ten days.

The Lebanese internal security service appears gradually to be gaining the upper hand in Zahlah, although reliable press reports indicate that at least 36 persons have been killed in the fighting.

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ISRAEL-LEBANON

Israeli aircraft bombed fedayeen targets in southern Lebanon yesterday for the second consecutive day.

Tel Aviv has increased attacks on fedayeen targets during the past several weeks, partly because of stepped-up fedayeen strikes across the border, and also in an attempt to preempt terrorist attacks against Israel. While discussing yesterday morning's air raid, an Israeli spokesman said that Israel would hit the fedayeen whenever it has information as to their location.

Yesterday, according to a military authority in Tel Aviv, 16 A-4 Skyhawks struck fedayeen camp, storage, and headquarters structures in the Burghuliyah area, some 15 miles north of the Israeli border on the Mediterranean coast. Israeli aircraft and artillery also hit fedayeen targets in southeastern Lebanon near Mount Hermon in separate strikes.

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[REDACTED] The Palestine guerrilla command announced in Beirut this morning that Israeli commandos struck guerrilla positions near the Lebanese port city of Sidon. [REDACTED]

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[REDACTED] The Israeli military command confirmed in a brief communique that its troops had clashed with Arab guerrillas but provided few details. [REDACTED]

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[REDACTED]

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CYPRUS

Turkish unwillingness to follow through on commitments made during the last round of the intercommunal talks in Vienna has left Greek Cypriots frustrated and pessimistic over prospects for the round in New York on September 8 and 9.

The mainland Turks and Turkish Cypriot leader Denktash appear caught between a tactical need to appear reasonable and forthcoming in New York—with an eye to the US House of Representatives' position on the arms embargo—and the political situation in Turkey that makes concessions difficult. Denktash also has to contend with political restraints in his own Turkish Cypriot community and is concerned about possibly being left out on a limb by Ankara.

US embassy officials in Nicosia believe that any concessions the Turks do finally offer in New York will be relatively minor, and only an initial bargaining position. Combined with Denktash's failure to produce on other Vienna commitments, such a position would further embarrass and embitter Greek Cypriot negotiator Clerides, who may have weakened his political position by making concessions at Vienna last month. It would also give substance to Cypriot President Makarios' doubts about the Vienna talks and help justify a decision to submit the Cyprus issue to the UN General Assembly.

Denktash has yet to follow through on his promise to present concrete proposals on the various issues prior to going to New York. In addition, he has failed to produce on other Vienna agreements in exchange for Clerides' agreement to permit the nearly 9,000 Turkish Cypriots remaining in the south to move to the Turkish zone in the north. Denktash did agree to the return of some 800 Greeks expelled earlier from the north, but Turkish obstructionism has resulted in no more than 230 being readmitted to the Turkish zone so far. Clerides has told UN officials that he is considering blocking the movement of the remaining Turkish Cypriots to the north if movement of Greek Cypriots is not speeded up.

In Ankara, Prime Minister Demirel is reluctant to make any concessions on Cyprus that might leave him vulnerable in the partial Senate elections next month. Demirel's rightist coalition partner, Necmettin Erbakan, has taken a no-concession position on Cyprus and would be quick to turn any major conciliation gestures by Demirel to his own political advantage.

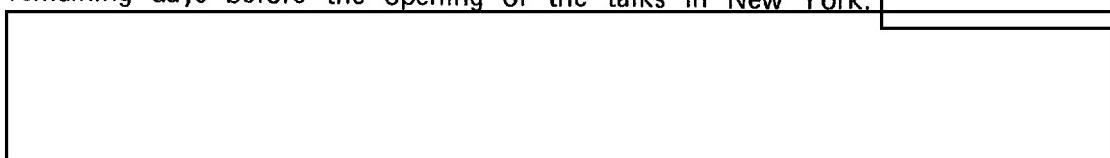
In a move that appears to be related to the arms embargo as much as to a Cyprus settlement, Ankara announced on September 3 that some of the 1,000 to 1,500 army commandos stationed on Cyprus since July 1974 would return to

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Turkey during the first week of September. This move, which the Turks have been considering for some time, may have been announced at this time to help offset their failure to make meaningful proposals on a territorial settlement. It is doubtful that this gesture will dispel the pessimism in Greek Cypriot ranks in the few remaining days before the opening of the talks in New York.

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ANGOLA

Claims by the National Front for the Liberation of Angola that its troops have advanced to within ten miles of Luanda, the capital, have not been confirmed by Portuguese military officials. The Front and the rival Popular Movement for the Liberation of Angola are known, however, to be building up their military forces between Luanda and the Front's stronghold at Caxito, some 40 miles to the northeast.

The Front is anxious to establish a military perimeter around the outskirts of Luanda.

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Apparently, the Front also hopes to discredit claims by the Popular Movement that it is the territory's only effective nationalist group. The Popular Movement has maintained that it is the only group that has lived up to its responsibilities under the accord concluded between Lisbon and the liberation groups last January. It says it expects to "assume total responsibility for governing Angola" on November 11.

With slightly over two months remaining before they are scheduled to grant independence to Angola, the Portuguese are making a last-ditch attempt to patch together a government to which it can hand over sovereignty. Admiral Leonel Cardoso, formerly in charge of naval operations in Portugal's African territories, was sworn in on August 30 as the new Angolan high commissioner and should be arriving in Luanda soon. Cardoso will have broader executive, judicial, and defense responsibilities than those granted to his predecessor now that Lisbon has suspended the January agreement.

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ARGENTINA

The crises that have rocked Argentina recently have seriously weakened the unity of conservative Peronist groups that still profess loyalty to President Maria Estela Peron.

Labor and political leaders are trying to preserve an image of cooperation and vitality, but events of the past week demonstrate that this is only a facade. Peronist party leaders elected during last week's convention are calling for a return to "consensus politics"—the dialogue with all national political participants begun by Juan Peron. The directive ordering this, however, contains no guidelines for reconciling groups that are mutually antagonistic.

The leaders are ignoring the fact that Peronists who disapproved the party slate have organized a rival faction called the "Peronist Affirmation." This appears to be the first time in Peronist history that any group has formally challenged the hierarchy without first resigning from the party.

Moreover, tensions within the Peronist labor movement—long the dominant civilian political force in the country—were increased by the recent conflict between President Peron and the military chiefs over the appointment of an army officer to the interior portfolio. According to reliable press reports, the country's two major union leaders disagreed strongly on the issue of taking sides in the dispute and are unlikely to reconcile their differences. Both men already have been weakened because of their past ties to the now-discredited Lopez Rega and their inability to prevent price hikes and to curb rising unemployment. Their disagreement will probably be papered over, but behind the scenes it appears that the union boss who sided with President Peron in her dispute with the military high command has lost political ground.

This latest flare-up is a further indication of the lack of organizational cohesiveness that prevents labor, military, and political leaders from exercising the leadership needed to cope with major political and economic problems. Although real power passed to military and labor leaders two months ago with the downfall of Lopez Rega, they have been unable to work effectively with President Peron, are unwilling to oust her, and cannot agree among themselves on a course of action.

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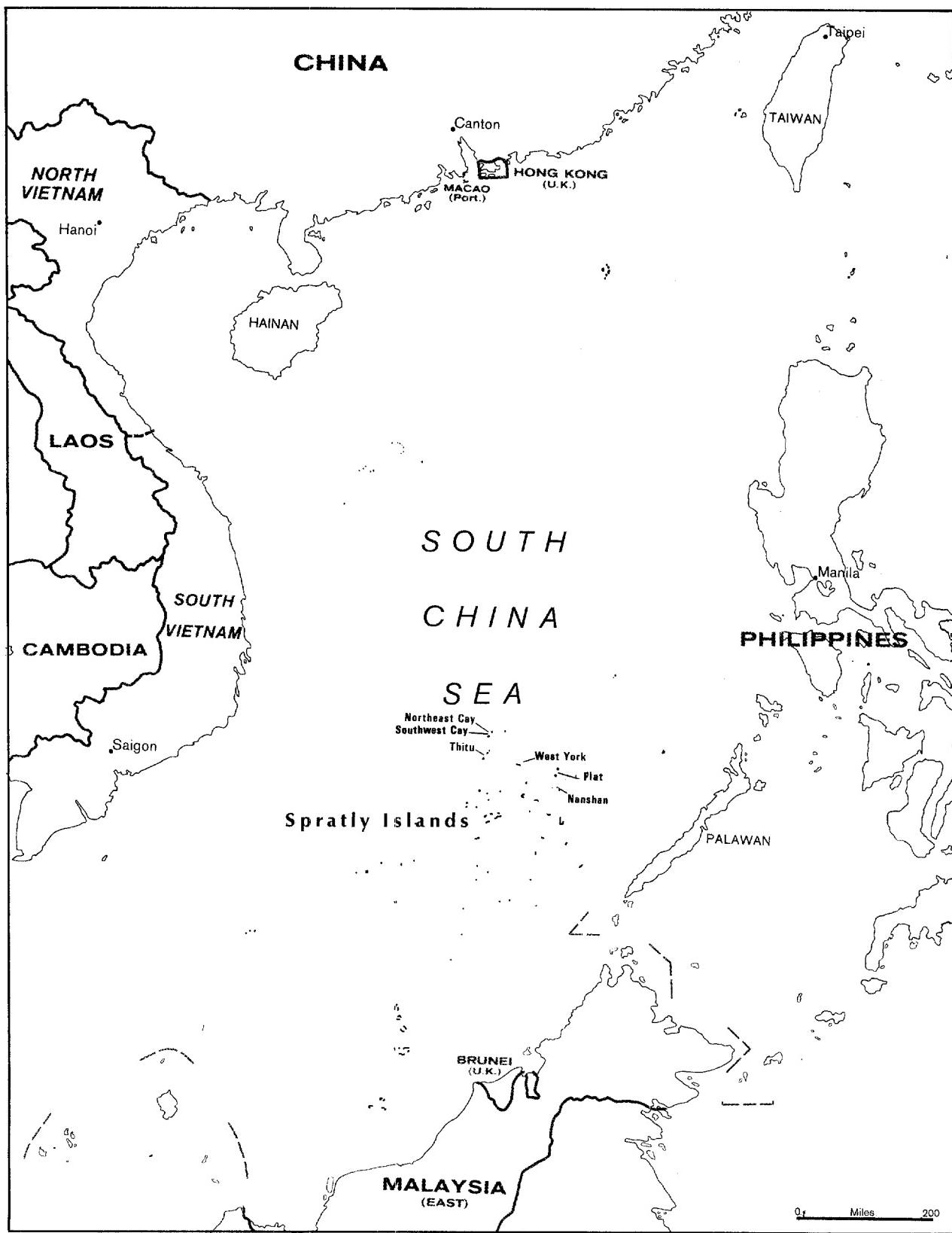
A significant change has been reported in the command and control structure of Warsaw Pact forces facing the NATO Southern Region.

[redacted] a new organizational structure consisting of a Theater of Military Operations headquarters was said to have been established in Odessa with supporting staffs in Odessa, Tbilisi, and Sofia, Bulgaria. This headquarters would probably control and coordinate wartime operations against Greece and Turkey carried out by Pact forces from Bulgaria and the Odessa, North Caucasus, and Transcaucasus military districts.

It has been believed for some years that the Pact would in wartime establish a southwestern theater headquarters. Setting up the command now would make the transition to wartime operations that much more rapid.

Information over the past year has suggested new developments in Soviet-Bulgarian military relations. For example, military delegations from Bulgaria have made several trips to the Odessa Military District over the past year, while both Soviet Minister of Defense Grechko and Warsaw Pact Commander Yakubovskiy have visited Bulgaria recently. In addition, Soviet troops have crossed Romania to participate in combined Soviet-Bulgarian exercises on several occasions, most recently in March.

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PERU: The Peruvian army is filling the last major gap in its force modernization program by acquiring a Soviet self-propelled automatic antiaircraft gun system—the quad 23-mm. ZSU 23-4—that will provide an effective mobile close-support air defense weapon. Although the weapons system is now known to be in Peru, the number delivered and their arrival date are not known.

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ANNEX

Factionalism Within the Chinese Leadership

After a period of relative calm, factionalism within the Chinese leadership appears to be coming to the surface again in virulent form. In September, *People's Daily* carried a major article that seems to be a thinly disguised attack on Teng Hsiao-ping, China's senior vice premier who also holds important military and party posts and who is currently in day-to-day charge in Peking.

The attack is contained in a criticism of the famous Ming-dynasty novel "Water Margin" (also known as "All Men Are Brothers"), which has long been known to be a favorite of Chairman Mao. A similar article also appeared in the latest issue of the theoretical journal *Red Flag*; both have been widely disseminated by the Chinese news agency. A list of contents of *Red Flag* also distributed by the news agency indicates that it contains a number of other articles on the same subject; they are not yet available in Washington.

Both articles are highly critical of the role and character of a leading figure in the novel. The description of this figure leaves little doubt that, in the context of the current criticism, he is a surrogate for Teng. The figure is specifically called the head of a "faction" who is intent on undermining and vitiating the principles of "peasant rebellion." In a passage that unmistakably links criticism of the novel to current politics, *Red Flag* claims that in this figure can be seen the "ugly features of present-day capitulationists."

The central issue raised by the articles appears to be "revisionist capitulationism...at home and abroad." This criticism is aimed at the policy of "rehabilitation" of veteran party officials disgraced during the Cultural Revolution—a policy that, despite a number of ups and downs, has generally been pursued by Peking since the early 1970s. Teng Hsiao-ping is not only an advocate of this policy but also its most important beneficiary. As secretary general of the party he was disgraced early in the Cultural Revolution. He was rehabilitated in the spring of 1973, reappointed to the Politburo in December of that year, and made a member of the Politburo Standing Committee last January.

The rehabilitation issue has long been a bone of contention between the "left" and "right" wings of the Chinese party, which have respectively opposed and supported the policy. The issue involves the larger question of the efficacy and legitimacy of the Cultural Revolution, which has been at the heart of Chinese domestic politics for a decade. The articles define rehabilitation as accepting "royal amnesty" while planning ultimately to betray the revolution.

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The phrase "royal amnesty" raises in direct form the question of Mao's status and his role in the present controversy. For two years, Chinese polemics, arguing by historical analogy, have treated the emperor-figure as a surrogate for Mao; the Chairman has, moreover, clearly associated himself with Teng's rehabilitation.

In an extraordinary passage that seems to bear directly on this issue, *People's Daily* comments: "In a feudal country, the emperor is the highest ruler, the general representative of the landlord class and the big boss of all feudal bureaucrats. The peasantry must oppose the emperor in order to oppose the reactionary rule of the landlord class. If the peasantry only opposed corrupt officials, but not the emperor, it cannot shake the rule of the landlord class." It added that the evil Teng-figure and his friends "did not oppose the emperor and were loyal to him."

This passage seems to claim that in order to preserve the revolution it may be necessary to oppose Mao himself; at the very least, it appears to imply that Teng has pulled the wool over Mao's eyes by stressing his personal loyalty to the Chairman. The *Red Flag* article is more ambiguous, however. While also criticizing the idea of "royal amnesty," it refers favorably to another character as the "founder of the revolutionary cause" chronicled in the novel. Moreover, Mao's authority is invoked in the article.

This spate of articles—at least one more apparently was published in the Peking newspaper *Kuang Ming Daily*—appears at a moment when the central theme of Chinese propaganda has been unity and discipline and when the central authorities appear prepared to crack down on dissident activities and strikes in factories and in the transportation industry. In fact, both the *Red Flag* and *People's Daily* articles appear to refer by indirection to the recent use of troops—on Teng's authority—to restore order in Chekiang Province, claiming that "suppressing other bandits" in the name of the "emperor" is an example of the Teng-figure's "flunkies."

In the current environment, then, it is possible—although it is too early to be certain—that the attack on Teng is an act of desperation on the part of his opponents, who see in his current exercise of authority and stress on unity indications that the vice premier is attempting to consolidate his position before the Chairman's death so as to secure his place in the succession. Behind such tactical maneuvering, however, is almost certainly a considerable dissatisfaction on the part of a number of those most closely associated with the Cultural Revolution with Teng's assertion—expressed in a speech prior to last January's National People's Congress—that that upheaval and its divisive aftermath have tarnished the reputation of the Chinese government.

In this context, Teng's enemies may believe they have no other choice than a head-on attack on the vice premier—and perhaps on Mao as well. There are indications that an attempt was made a year ago to undermine current policies by opening a major attack on corrupt practices among party officials; [redacted]

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[redacted]
[redacted] an introductory note appended to the *Red Flag* article on "Water Margin," stating that the criticism of the novel is only for the purpose of discussion, indicates that the sudden new attack on personalities and policies does not have the support of the full Chinese leadership.

The implications for Mao in the current developments are even more ambiguous. The Chairman was almost certainly weakened to some extent by last year's divisive anti-Confucius campaign. The conflicting treatment of Mao's role as "founder and commander" of the Chinese army during the August 1 celebration of Army Day suggests there is continuing controversy regarding Mao's direct control of the military.

It is possible that the Chairman's running quarrel with the army has left him vulnerable to criticism from other quarters, but the wily old man's political acumen is still considerable and he still retains great reservoirs of prestige among the general populace.

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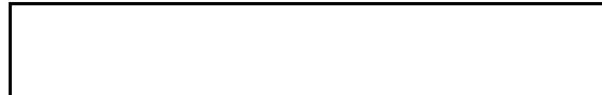
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